



Staff Report
Board Meeting Date: August 22, 2024

DATE: August 8, 2024

TO: District Board of Health

FROM: Francisco Vega, P.E., Division Director
775-784-7200; fvega@nnph.org

SUBJECT: Business Impact Statement – CHAPTER 030 - SOURCE PERMITTING Regulation Development Review, discussion and possible adoption of the Business Impact Statement regarding proposed revisions to the District Board of Health Regulations Governing Air Quality Management, CHAPTER 030 - SOURCE PERMITTING, with associated changes to the Air Quality Management Fee Table which would provide an estimated revenue of approximately \$200,000 based on FY22-23 service volume, with a finding that the revised regulations do not impose a direct and significant economic burden on a business; nor do the revised regulations directly restrict the formation, operation, or expansion of a business; and set a public hearing for possible adoption of the proposed revisions to the Regulations for September 26, 2024, at 1 PM.

SUMMARY

The District Board of Health must adopt any revisions to the District Board of Health Regulations Governing Air Quality Management (Regulations). Per NRS 237, Business Impact Statements “must be considered by the governing body at its regular meeting preceding any regular meeting held to adopt” the proposed revisions.

District Health Strategic Priorities supported by this item:

Healthy Lives: Improve the health of our community by empowering individuals to live healthier lives.

Healthy Environment: Create a healthier environment that allows people to safely enjoy everything Washoe County has to offer.

Local Culture of Health: Lead a transformation in our community’s awareness, understanding, and appreciation of health resulting in direct action.

PREVIOUS ACTION

CHAPTER 030 of the Regulations was last revised on May 28, 2018, with the original adoption of the rule in effect on July 27, 1972.

BACKGROUND

CHAPTER 030 of the Regulations establishes the requirements for air pollution control and air quality permitting for sources of regulated air pollutants located within Washoe County. These

requirements are used to protect public health and welfare. In addition, CHAPTER 030 establishes minimum thresholds for air quality permitting, air pollution control requirements, and exemptions from air quality permitting requirements. Lastly, it establishes application, monitoring, reporting, recordkeeping, and testing requirements.

This revision is intended to completely replace the existing language of CHAPTER 030. As part of this revision, changes to the air quality fee structure is being proposed. The proposed changes to the fee structure are necessary to capture the different types of applications that are included in the proposed changes to CHAPTER 030. Historically, these various types of applications have been captured under one (1) fee that is not reflective of the level of service provided. As an example, the level of effort to renew a permit is less than the processing of a permit for a new source. As such, it is being recommended that the fee for renewing a permit be less than the fee for a new source. In addition, changes to the methodology for annual emission fees are being proposed. Similarly to the different application fees, these changes to the annual emission fees are being proposed to better reflect the level of effort with the fee. As an example, sources permitted to emit between eighty (80) and one hundred (100) tons of emissions per year pose a greater risk to the public and are therefore inspected on an annual basis at a minimum. As such, the annual emission fee for these sources is greater than sources that emit less and pose less of a threat to public health.

In August of 2021, the Air Quality Management Division (AQMD) conducted two (2) listening sessions giving residents the opportunity to help shape the requirements and regulations governing air quality permitting in Washoe County. Specifically, the AQMD was looking for input from the regulated community on what was working and not working with the current regulations specified in CHAPTER 030. This input was critical as began the effort in developing what the proposed revision to CHAPTER 030 was to become.

The following methods were used to provide notice of the proposed revisions, 30-day public comment period, and public workshop:

1. A press release was issued notifying the public of the proposed revisions and public workshop on June 12, 2024.
2. The press release and all related materials was posted on the AQMD website (OurCleanAir.com) on July 8, 2024.
3. The press release was e-mailed to all subscribers of the AQMD email subscription list on July 8, 2024.

A hybrid, in-person and virtual, public workshop was held on the dates described below. The workshops had attendance from ten (10) external participants.

- Monday, July 8, 2024, from 2:00 – 3:30 p.m.

Date: September 8, 2023

Subject: Business Impact Statement - 020 GENERAL PROVISIONS Regulation Development

Page 3 of 3

- Thursday, August 8, 2024, from 10:30 – 12:00 p.m.

Attached to this staff report are the following:

1. Business Impact Statement
2. Listening Session Press Release (August 16, 2021)
3. Public Workshop Press Release (June 12, 2024)
4. “As Proposed” and “As Adopted” versions of the revised rule
5. Public workshop materials including:
 - a. Presentation
 - b. Attendance sheet

FISCAL IMPACT

The projected revenue brought in by the new fee structure is estimated at approximately \$200,000 based on FY22-23 service volume.

Changes to the fee structure as a result of the revision to CHAPTER 030 are being proposed to align the division staff activities and facility risk levels with the appropriate fee. Annual fees for sources with a potential to emit greater than sixty (60) tons per year may increase depending on the rate of historical actual emissions for the facility. Impacts to small business and facilities emitting less than sixty (60) tons per year is expected to be minimal.

Permitting authorities with approved permit programs under 40 CFR part 70 must comply with minimum permit program requirements, which includes collecting fees sufficient to fund the program. These fees must cover all “reasonable (direct and indirect) costs” of the permit program.

RECOMMENDATION

Staff recommends the District Board of Health approve and adopt the Business Impact Statement for the proposed revisions to District Board of Health Regulations Governing Air Quality Management, CHAPTER 030 - SOURCE PERMITTING, with associated changes to the Air Quality Management Fee Table, and set a public hearing for possible adoption of said revisions for September 26, 2024, at 1:00 pm.

POSSIBLE MOTION

Should the Board agree with staff’s recommendation, a possible motion would be:

“Move to approve and adopt the Business Impact Statement for the proposed revisions to District Board of Health Regulations Governing Air Quality Management, CHAPTER 030 - SOURCE PERMITTING, with associated changes to the Air Quality Management Fee Table, and set a public hearing for possible adoption of said revisions for September 26, 2024, at 1:00 pm”.